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★ MAY 15 2025 ★

BROOKLYN OFFICE

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff,

- against -

YIZHAO HOU, also known as "Harvey Hou",
YDH EXPRESS INC., and YDH INT'L INC.,

Defendants.

Civil Action No.

25-_____

CV 25 - 2719
MERLE, J. SCANLON, M.J.**DECLARATION OF EDUARDO GELPI**

I, Eduardo Gelpi, have personal knowledge of the following facts set forth below, and if called as a witness I would testify as follows:

1. I am a Postal Inspector with the United States Postal Inspection Service ("USPIS"), and I am currently assigned to the New York Division, where I investigate violations of laws and regulations relating to the United States Postal Service ("USPS").

2. The facts set forth in this declaration are based on my personal knowledge; knowledge obtained during my participation in this investigation; information from other individuals, including other law enforcement officers conducting investigations into defendants and other parties; witness interviews; and my review of documents, public records, USPIS records, and other sources. Because this declaration is submitted for the limited purpose of establishing probable cause in support of the United States' application for a temporary restraining order and preliminary injunction pursuant to 18 U.S.C. § 1345 and in support of the United States' motion for the temporary sealing of the docket, it does not set forth each and every fact that I learned during the course of this investigation.

3. This investigation involves the mailing of parcels with counterfeit USPS labels, which were mailed by Defendants Yizhao Hou, also known as Harvey Hou, YDH Express Inc. (“YDH Express”), and YDH Int’l Inc. (“YDH Int’l”).

USPIS BACKGROUND

4. USPIS is the law enforcement arm of the USPS.

5. The mission of USPIS is to support and protect USPS and its employees, infrastructure, and customers; enforce the laws that defend the nation's mail system from illegal or dangerous use; and ensure public trust in the mail.

6. USPIS regularly conducts investigations, including this investigation, into potential criminal and/or civil violations of law that affect USPS.

USPS PARCEL MAILING LABELS

7. The Postal Service utilizes different types of postage labels, including PC Postage, eVS postage, and ePostage. Collectively, these are referred to herein as “electronic postage systems.”

8. All commercial parcels mailed through the Postal Service must use an Intelligent Mail package barcode (formally “IMpb,” and referred to in this Complaint as “package barcode”), including parcels with postage printed from electronic postage systems. This package barcode must contain an encoded Mailer ID (“MID”).

9. MIDs are unique six- or nine-digit numeric codes that the USPS assigns to specific mailers, agents, or other service providers upon request; MIDs serve as a unique identifier of the mailer, within the barcode on a USPS label. They may not be used other than by the mailer to whom they were issued.

10. USPS can use the barcode to determine whether the mailer paid the appropriate postage for the parcel.

11. eVS postage is a type of electronic postage system that allows mailers to pay for and print labels. It may be used outside the United States if the mailer is a USPS Global Direct Entry (“GDE”) customer. GDE customers receive a permit number and MID from USPS.

12. eVS allows high-volume package mailers and package consolidators to document and pay postage, including special service fees, using electronic manifest files. The files are transmitted over the internet to a Postal Service database. eVS postage is electronically deducted from the mailer’s account.

13. PC Postage and ePostage are two additional electronic postage systems. The USPS authorizes private companies to sell PC Postage and ePostage online. Mailers using these systems also receive MIDs from USPS. However, PC Postage and ePostage may not be printed outside the United States.

14. Attached hereto as Exhibit A is a true and correct copy of the USPS ePostage Integration Guide, dated July 2021.

15. The Postal Service will suspend an MID under certain circumstances, including if it learns that the MID has been compromised or used by parties other than the mailer to which it was issued.

16. In certain circumstances, bad actors can use suspended MIDs to create tracking labels that appear valid and that scan into USPS tracking systems, even though no postage has been paid.

USPIS'S INVESTIGATION OF DEFENDANTS

17. USPIS began investigating Defendants in June 2022 when it received information from USPS employees in Queens, New York that YDH Express had mailed packages with counterfeit labels.

18. The following paragraphs are based on my own recollections as well as memoranda of interviews and other documentation.

June 2022 Inspection

19. On June 30, 2022, I and other USPIS Inspectors went to the YDH Express Warehouse at 167-25 Rockaway Boulevard, Jamaica, New York 11434. On this date, we interviewed an employee of YDH Express (the "YDH Express Employee") and inspected packages at the YDH Express Warehouse.

20. The YDH Express Employee stated that he was responsible for picking up parcels from JFK Airport, transporting the parcels to the YDH Express Warehouse, and then transporting and dropping off the parcels at a USPS facility for mailing. The YDH Express Employee stated that he has been delivering parcels to USPS approximately once per week for the preceding 18 months. The YDH Express Employee stated that the parcels come from China and that they have the USPS labels already affixed when they are picked up at JFK Airport.

21. The YDH Express Employee further stated that the owner of YDH Express is Harvey Hou and that Hou resides in California for six months of the year and in New York for six months of the year.

22. The YDH Express Employee showed the USPIS Inspectors a recent shipment of two pallets, containing 17 boxes of parcels from China. The shipment contained 1,667 parcels; of these, 240 parcels had eVS labels and 1,427 parcels had PC Postage labels. I and the other

Inspectors then inspected the labels on the parcels. We worked with USPIS Revenue Fraud Analysts to review the labels and determined that all 1,667 parcels bore counterfeit USPS labels.

23. Even if the PC Postage labels had not been counterfeit, they would still have been invalid, because PC Postage may not be printed outside the United States per USPS regulations.

24. The YDH Express Employee stated that the parcels arrive from China with labels already affixed to them when he picks them up from JFK. He further denied any prior knowledge about whether the labels are counterfeit or not.

25. I and the other USPIS Inspectors advised the YDH Express Employee that he could not transport the parcels with counterfeit labels to USPS for mailing.

***July 2022 Interviews and Inspections
Regarding YDH Express Parcels***

26. On July 5, 2022, I and other USPIS Inspectors interviewed Hou.

27. We informed Hou that we had identified numerous packages at the YDH Express Warehouse bearing counterfeit USPS labels.

28. Hou stated that the packages were the first shipment that YDH Express had handled for a company in China. After being notified that the packages contained counterfeit postage labels, Hou told the USPIS Inspectors that he spoke to one of his employees who reportedly confirmed that the customer requested Hou to reprint postage labels for the packages from Hou's account with USPS. Hou advised the USPIS Inspectors that he would reprint postage labels accordingly.

29. I told Hou to contact me when the packages were relabeled so that USPIS could confirm that the packages contained proper postage. Hou confirmed that he would do so.

30. However, Hou never contacted me or USPIS about the package relabeling.

31. Additionally, Hou reviewed and signed a United States Postal Inspection Service Voluntary Discontinuance concerning the use of counterfeit postage labels. Attached hereto as

Exhibit B is a true and correct copy of the Statement of Voluntary Discontinuance that Hou signed on July 5, 2022, with Hou's phone number redacted.

32. In the Voluntary Discontinuance, Hou acknowledged, among other things, that he or his company "mail[ed] . . . packages containing invalid postage labels resulting in a financial loss to the United States Postal Service" and that "continued use of invalid labels would expose [him] and/or [his] company to potential criminal or civil liability." *See* Exhibit B.

33. The Voluntary Discontinuance also states as follows: "Having been advised of the facts and circumstances of this situation it is my decision to stop participating in these activities. I further intend to use only legitimate postage labels on all mailings entered to USPS by my company or myself in the future." *See* Exhibit B.

34. In or around July 2022, USPS employees from the USPS Processing & Distribution Center at 142-02 20th Avenue, Whitestone, New York (the "Queens P&DC") told me that YDH Express had dropped off packages for mailing that bore counterfeit labels.

35. As a result, on July 11, 2022, I and other USPIS Inspectors inspected parcels that YDH Express employees delivered to the Queens P&DC for mailing.

36. I and other USPIS Inspectors reviewed a sample of the parcels from the eleven pallets, and identified 132 parcels with counterfeit USPS priority mail labels.

37. Because we identified the labels on the parcels as counterfeit, USPS did not mail the parcels.

38. On July 13, 2022, I and another USPIS Inspector interviewed the YDH Express Employee at the YDH Express Warehouse.

39. We informed the YDH Express Employee that, on July 11, we had identified counterfeit labels on the parcels dropped off at the Queens P&DC.

40. The YDH Express Employee claimed that a separate company delivered 11 pallets of parcels from the YDH Express Warehouse to the Queens P&DC. There were likely thousands of parcels in the eleven pallets. The YDH Express Employee denied knowledge of the origin of the parcels.

41. The YDH Express Employee agreed to retrieve the 11 pallets from the Queens P&DC.

42. While interviewing the YDH Express Employee, I observed 13 additional pallets of parcels. I and the other USPIS Inspector inspected a sampling of the postage and identified both eVS and PC Postage labels. The eVS labels—which made up less than 50 parcels per pallet—were valid; however, the PC Postage labels were counterfeit.

43. I observed that the parcels with valid eVS labels were placed on top of each of the pallets, concealing the parcels with counterfeit PC Postage labels.

44. I advised the YDH Express Employee that the eVS-labeled parcels could be shipped through USPS but the PC Postage-labeled parcels could not.

45. The YDH Express Employee agreed to separate the parcels with counterfeit PC Postage labels from the eVS parcels prior to delivering the pallets to the Post Office.

46. On July 26 and 27, 2022, I and other USPIS Inspectors inspected parcels at the YDH Express Warehouse.

47. We again informed the YDH Express Employee that previous mailings from YDH Express that were dropped off at the Queens P&DC contained parcels with counterfeit postage labels.

48. The YDH Express Employee stated that he understood and signed a Voluntary Discontinuance. Attached hereto as Exhibit C is a true and correct copy of the document entitled

Voluntary Discontinuance – Counterfeit Postage Labels, that the YDH Express Employee signed on July 26, 2022.

49. In the Voluntary Discontinuance, the YDH Express Employee acknowledged, among other things, that items mailed by him or his company “displayed counterfeit postage labels, resulting in financial losses to the United States Postal Service”; that the use, sale, possession or manufacture of counterfeit postage is illegal; that he and his company “may be enjoined against further mailings by a federal judge pursuant to 18 USC § 1345.” *See Exhibit C.*

50. The Voluntary Discontinuance also states as follows: “From this date, I will cease using counterfeit or otherwise invalid postage. My company any I will use only legitimate postage labels on all items mailed via USPS.” *See Exhibit C.*

51. During this interview, I observed approximately 36 boxes of parcels at the YDH Express Warehouse. On July 26 and 27, I and others from USPIS inspected the parcels in these boxes, and determined that there were 4,460 parcels, all of which bore counterfeit labels.

52. USPIS then obtained an order from CBP, requiring the parcels to be returned to China.

***August 2022 Interview and Inspection
Regarding YDH Express Parcels***

53. In August 2022, USPIS received a referral from CBP that there were 23 cartons from China that were shipped to YDH Express and that contained parcels with USPS labels.

54. Based on this information, I and other USPIS Inspectors inspected all of the parcels in the 23 boxes of parcels, a total of 1,947 parcels.

55. We identified 1,807 parcels with counterfeit labels: 226 parcels had counterfeit Priority Mail labels and 1,581 had counterfeit First Class Mail labels.

56. We also identified 140 ePostage labels that were not counterfeit, 20 on Priority Mail parcels, and 120 on First Class Mail parcels. However, all of these labels were invalid because they had been printed outside the United States, in violation of USPS regulations.

57. Because all of the parcels in this shipment bore counterfeit or invalid labels, CBP returned the 23 boxes of parcels to China.

58. On August 10, 2022, I and a USPIS Revenue Fraud Analyst interviewed Hou at the YDH Express Warehouse.

59. Hou stated that YDH Express is a logistics company and that any mail it receives contains postage labels printed by online sellers in China.

60. Hou stated that he uses customs brokers located in Chicago and New York for the shipments that YDH handles.

61. Hou stated that he does not know how to determine if the mail he receives is good or counterfeit.

62. Hou stated that he operates two additional businesses: YDH Int'l Inc. which operates a cargo warehouse at 11120 Hindry Avenue in Los Angeles, California, and Jupiter Warehouse Distribution, Inc., which handles large packages for the private carrier United Parcel Service at 300 West Artesia Boulevard in Compton, California.

63. Hou stated that he has approximately five or six customers in China that his companies receive mail from. Hou further stated that his customers use Hou's eVS account to print postage labels.

64. However, it is not true that Hou's customers use his eVS account; if they did, it would have Hou's valid MID, rather than the suspended MIDs used on the counterfeit labels.

65. I instructed Hou to email me with the names of YDH Express's customers in China who provide mailings with counterfeit postage labels.

66. Hou also stated that customers pay YDH for its logistics services through international wire transfers, which are sent to an account opened with JPMorgan Chase Bank, N.A.

67. At the conclusion of the interview, Hou signed another Voluntary Discontinuance. Attached hereto as Exhibit D is a true and correct copy of the document entitled USPIS Voluntary Discontinuance – Counterfeit Postage Labels, that Hou signed on August 10, 2022.

68. In the Voluntary Discontinuance, Hou acknowledged, among other things, that items mailed by him or his company “displayed counterfeit postage labels, resulting in financial losses to the United States Postal Service”; that the use, sale, possession or manufacture of counterfeit postage is illegal; that he and his company “may be enjoined against further mailings by a federal judge pursuant to 18 USC § 1345.” *See* Exhibit D.

69. The Voluntary Discontinuance also states as follows: “From this date, I will cease using counterfeit or otherwise invalid postage. My company any I will use only legitimate postage labels on all items mailed via USPS.” *See* Exhibit D.

70. Hou never sent me the names of YDH Express's customers in China despite stating that he would do so.

***YDH Express Warehouse Is Empty Between
December 2022 and February 2023***

71. I inspected the YDH Express Warehouse on December 19, 2022, January 30, 2023, and February 9, 2023. On each date, the YDH Express Warehouse did not contain any parcels waiting to be shipped.

March 2023 Inspection at the YDH Int'l Warehouse Confirms that Defendants Continued to Mail Parcels with Counterfeit Labels

72. On March 31, 2023, a USPIS Inspector in Los Angeles inspected mail at the YDH Int'l Warehouse.

73. The USPIS Inspector observed parcels bearing USPS postage labels, which the Inspector recognized as having characteristics of counterfeit postage.

74. A USPIS Revenue Fraud Analyst then reviewed the labels of seven parcels identified by the USPIS Inspector and confirmed that the labels on all seven parcels were counterfeit.

75. The USPIS Inspector advised a male employee at the warehouse, who refused to identify himself, that labels on the parcels were counterfeit and that he could not take those parcels to the Post Office for mailing. The individual stated that he understood.

Defendants Resumed Mailing Parcels with Counterfeit Labels in New York As of October 2023

76. On October 23, 2023, I and another USPIS Inspector inspected mail at the YDH Express Warehouse.

77. I reviewed one box of parcels with USPS Ground labels, and one box of parcels with USPS Priority Mail labels.

78. The box of USPS Ground parcels contained approximately 250 parcels and the box of USPS Priority Mail parcels contained approximately twenty parcels. All of the parcels in both boxes, approximately 270 parcels in all, bore counterfeit postage labels.

79. At my request, CBP then held the remaining parcels in the shipment, which consisted of approximately 95 boxes.

80. I estimate, based on the number of parcels in the boxes that I inspected, that the shipment contained a total of approximately 8,684 parcels.

81. I informed the YDH Express Employee that the boxes of parcels were on hold and could not be mailed through USPS. The YDH Express Employee stated that he understood.

Defendants Continued Mailing Parcels with Counterfeit Labels in New York in April 2024

82. On April 3, 2024, a USPIS Revenue Fraud Analyst, a USPIS Contractor, and I conducted an inspection at the YDH Express Warehouse.

83. We reviewed one box containing parcels to be shipped by USPS Ground services, and one box containing USPS Priority Mail parcels.

84. The Ground box of parcels contained approximately 120 parcels and the Priority Mail box contained approximately 50 parcels. All of the parcels in both boxes, approximately 170 parcels, bore counterfeit postage labels.

85. I then told the YDH Express Employee that the parcels could not be given to USPS. The YDH Express Employee stated that he understood.

86. At my request, CBP then held the remaining parcels in the shipment placed on hold, which consisted of approximately 58 additional boxes.

Further Inspections Show that Defendants Continue to Shift Operations

87. In March 2025, I inspected two incoming shipments for YDH Int'l that arrived in New York.

88. These shipments exclusively contained United Parcel Service parcels.

89. On or about March 25, 2025, USPS employees at the USPS Processing and Distribution Center in City of Industry, California identified a shipment of several hundred parcels that YDH employees deposited for mailing.

90. These USPS employees reviewed approximately ten of the parcels and determined that those parcels bore valid eVS labels.

91. The USPS employees did not confirm that any other parcels in the shipment had valid labels, and did not confirm whether all parcels in the shipment bore eVS labels.

***YDH Int'l Has Received Hundreds
of Shipments in 2025***

92. In 2025, I learned from CBP that YDH Int'l abruptly stopped using its Los Angeles warehouse.

93. The only address CBP was able to locate for YDH Int'l is a house located in New Hampshire.

94. However, CBP data shows that both YDH Int'l and YDH Express continued to receive shipments of parcels throughout 2024 in Los Angeles and New York.

95. In addition, this data shows that YDH Int'l, despite being a California entity that operates a warehouse in Los Angeles, has received over a hundred shipments of parcels in New York, as recently as March 27, 2025.

96. CBP data indicates that Defendants received hundreds of additional shipments of parcels from China from 2022 to present that USPIS did not inspect.

97. Defendants received at least 121 shipments of parcels in March 2025 alone.

98. These shipments entered the United States through several different airports, including airports located in New York, Los Angeles, Chicago, and Miami, making it impracticable for CBP or USPIS to inspect every shipment.

99. Based on my experience as a Postal Inspector, and taking into account the high volume of uninspected shipments and Defendants' past practices, I believe that it is likely that Defendants are continuing to mail parcels with counterfeit postage labels to this day.

Pursuant to 28 U.S.C. § 1746, I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed on May 14, 2025

By: Eduardo Gelpi
Eduardo Gelpi
Postal Inspector
U.S. Postal Inspection Service

Exhibit A



ePostage® Integration Guide

Requirements and Best Practices

United States Postal Service
Innovative Business Technology
Version 1.0
July 2021

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Overview

ePostage® combines the flexibility of retail mail entry with the benefits of centralized commercial payment. It is designed to meet the evolving shipping trends of online marketplaces, Ship-From-Store, or any customer requiring distributed shipping with centralized support, visibility, and control. By leveraging the flexibility of the vast United States Postal Service® (USPS®) retail entry network with the centralized reporting, payment and auditing of the Electronic Verification System (eVS®), ePostage offers a corporate entity the ability to manage a wide range of shipping channels through a single streamlined system.

With ePostage, USPS label creation, manifesting, postage payment, and tracking are managed by a centralized corporate entity (ePostage provider) with shipping labels distributed to individual mailers for entry into the USPS retail network. ePostage shipments can be taken to a postal retail counter, placed in a collection box or picked up by a postal carrier. Customers can also purchase insurance, Signature Confirmation or Adult Signature for ePostage packages.

Document Purpose

The purpose of this document is to provide integration requirements and best practices for software developers creating an ePostage shipping solution utilizing the USPS Electronic Verification System (eVS). These requirements are provided in addition to those identified in the *Publication 205, eVS® Business and Technical Guide* which remains the main source document for eVS integration.

Intended Audience

This document is intended for merchants and software developers implementing ePostage, whether business or technical.

Authorization

Authorization for the usage of ePostage is provided by the United States Postal Service. For more information contact your USPS Account Manager. A USPS Account Manager, Technical Integration Specialist or Vendor Manager will review the process and assist in collecting the corporate data necessary for granting an authorization via the ePostage Request Form.

There are three forms of ePostage authorization:

- Merchant Authorization allows an ePostage provider to create and distribute ePostage shipping labels for item fulfillment directly related to a merchant transaction, for example, on a marketplace or to support Ship-From-Store. Merchant Authorization does not allow for resale or loan of labels either by the merchant or label recipient.
- Reseller Authorization allows an ePostage provider to distribute labels to third parties as an independent transaction. Those third parties may use the label directly or provide them to another party as in a marketplace or Ship-From-Store scenario. However, those third parties may not further resell or loan the shipping label.
- Commercial Off the Shelf (COTS) Vendor Authorization allows a shipping software vendor to include ePostage as an option in their software. However, that Authorization does not permit the entity purchasing the software to use ePostage, as such usage would require that entity to obtain its own merchant or reseller authorization. As such, the COTS Vendor Authorization, by itself, does not allow the usage of the label by the merchant for ePostage transactions.

Shipper Identification

To ensure the integrity, security and safety of the mail, as a condition of using ePostage, ePostage providers are required to report to USPS the contact details of the individual or entity to whom they provide the label. Resellers who provide labels to a customer who will in turn provide the label to a third-party must provide the contact details of both their customer and the sender who will eventually tender the shipment to USPS.

Domestic Origin

ePostage is not eligible to be used with Global Direct Entry, international break bulk entry, or any inbound international services. All ePostage shipments must originate from and be labeled in the United States; its possessions, territories or freely associated states; or from military or diplomatic installations (APO, FPO, DPO).

Required Information and Retention

ePostage providers must capture the following information at the time an ePostage label is created to identify the individual tendering the shipment to USPS and provide this information in the Shipping Services File (SSF).

- Sender First Name
- Sender Last Name
- Sender Business (if applicable)
- Sender eMail address (required if phone not provided)
- Sender phone (required if eMail not provided)
- Sender address (street address, city, state and ZIP Code™)

This label distribution information should be retained by the ePostage provider for a period of the current calendar year plus two additional years. Shipper information must include the sender's verified physical address location and may be different than the shipment return address. A Post Office Box or private mailbox is not acceptable as the sender's address.

United States Postal Inspection Service Inquiries

The Postal Inspection Service may request additional information from an ePostage provider at any time regarding a shipper's identity, authentication, and shipping history. To facilitate a timely response, ePostage providers are required to provide and maintain a point of contact to reply to Inspection Service requests.

In addition to individual shipment information, the Inspection Service may also request the following information:

- Information used to authenticate the shipper
- IP or MAC address(es) for a specific label request/response
- The shipper's shipment history
- Financial/payment account information (utilizing a subpoena or other legal process)

ePostage providers may report any ePostage issues identified on their platforms by contacting the Inspection Service at the following email address:

- ISACGRevenueInvestigationsProductSecurityReporting@usps.gov

Authenticating the Shipper Information

The ePostage provider is responsible for accurately identifying and reporting the shipper information for ePostage labels. ePostage providers are expected to implement reasonable procedures and precautions to validate the contact details of their customers. These may include, but are not limited to, the following:

- Dual factor authentication
- Domestic IP address verification
- Payment method verification
- Clear consent from shippers to share their contact information with USPS

Reporting shipper information to USPS

There are two methods for reporting shipper information to USPS. The ePostage provider and USPS will agree upon the method as part of the ePostage onboarding process.

1. The preferred method is for the label provider to create a unique USPS Mailer ID (MID) using the name, validated address, phone, and email contact information of each ePostage shipper. To implement this method, ePostage providers should observe the following requirements:
 - a. The provider should use the shipper's unique MID in the Intelligent Mail® Package Barcode (IMpb®) of any domestic ePostage labels requested by that shipper.
 - b. For outbound international shipments, the ePostage provider should include the shipper's MID in the Customer Reference 2 field of the Shipping Services File (SSF).
 - c. To indicate to USPS that a unique MID has been assigned to this shipper, the ePostage provider should include a value of "3" in the Shipping Services File (SSF) Postage Type field.
2. An alternative method allows for the ePostage label provider to assign a unique alphanumeric value known as a Merchant ID to each shipper and to report the Merchant ID together with the required shipper contact details in the Shipping Services File (SSF) for each label created for that shipper. To implement this method, ePostage providers should observe the following requirements:
 - a. The Merchant ID format must be agreed upon by USPS and the ePostage provider in order to ensure uniqueness.
 - b. The ePostage provider should indicate that contact details are included in the SSF by including a value of "1" in the SSF Postage Type field for all shipments.
 - c. Contact details should be included in the SSF as described in Appendix A.

ePostage providers who are providing labels to a merchant, for example, a marketplace, who will then provide the label to a third-party must use a combination of both methods. A unique MID should be assigned to the intermediate merchant and contact details must be provided for the third-party shipper tendering the package to USPS.

ePostage Labeling

The following specifications are unique to ePostage labels and augment USPS eVS label guidance and requirements as set forth in the Domestic Mail Manual (DMM®) and Parcel Labeling Guide.

Postage Payment and Barcode Banner Markings

The Postage Payment and Barcode Banner text must indicate that this is an ePostage mail piece as follows:

- The last line of the indicia must be "ePOSTAGE" or "e-Postage"
- "EP" must appear following the barcode banner text

Price-Based Packaging Markings

It is required to include price-based packaging markings, including USPS Flat Rate packaging, to the right of the Return Address and right justified to the margin of the label. When used, this must match the actual packaging used and the rate indicator provided in the Shipping Services File. A list of packaging rate indicators and corresponding descriptions may be found in Appendix B.

Weight Markings

Shipment weight must be included on the label along with the corresponding unit of measurement. It is recommended that the unit of measurement match the mail class (e.g. ounces or oz. for First-Class™ and pounds or lb. for all other mail classes. Either actual weight or “priced” weight (rounded up to the nearest whole number) may be used. The weight markings should be included to the right of the return address and right justified to the margin of the label.

Shipping Date and Origin ZIP



The shipping date, in the format MM/DD/YY and Mailed-From ZIP Code markings may also optionally be included below the other ePostage markings to the right of the return address and right justified to the label margin.



Regional Distribution Codes

To improve delivery speed and accuracy, it is recommended to include the Regional Distribution Code on the label. When used, the Regional Distribution Code (RDC) should be placed on the right side of the label in the area below the price-based packaging and weight markings and above the carrier route code (if included).

Information on determining the RDC and downloading the current RDC assignment file may be found in Appendix C.

Label Examples

E	
PRIORITY MAIL EXPRESS 1-DAY™	
INTERNET SALES DEPT FAST AND EFFICIENT SUPPLY CO. 10474 COMMERCE BLVD DUPLEX B SILVER SPRINGS MD 20910-9999	05/15/21 Mailed From 20921 1 lb. 8 oz. FLAT RATE ENV
SIGNATURE REQUIRED NO SUNDAY/HOLIDAY DELIVERY SCHEDULED DELIVERY 10:30 AM	
RONALD RECEIVER C/O RICK RECIPIENT INTERNET PURCHASING OFFICE - WEST BIG AND GROWING BUSINESS CO. 1441 E BUCKEYE RD PHOENIX AZ 85038-9999	
	
9281 7912 3456 7800 0615 04	

F	
USPS FIRST-CLASS PKG™	
INTERNET SALES DEPT FAST AND EFFICIENT SUPPLY CO. 10474 COMMERCE BLVD DUPLEX B SILVER SPRINGS MD 20910-9999	05/15/21 Mailed From 20910 15 oz
RONALD RECEIVER C/O RICK RECIPIENT INTERNET PURCHASING OFFICE - NORTH BIG AND GROWING BUSINESS CO. 39 ANYWHERE ST SCARSDALE NY 10583-9999	
	
9200 1912 3456 7862 0603 02	

- ① Postage Payment and Barcode Banner markings
- ② Price-Based Packaging markings (see Appendix B)
- ③ Weight markings
- ④ Regional Distribution Code (refer to Appendix C)

Additional Label Considerations

- The return address information must be a domestic U.S. address.
- The addition of day-specific performance in the service banner (1-DAY and 2-DAY extensions) is optional and only applicable when USPS Service Standards and transit times can be determined via USPS Rate Calculator, Service Delivery Calculator, or Price Calculator.
- The Carrier Route Code is recommended but optional. If present it should be located to the right of and above the delivery address and below any endorsements. Carrier Route Code is only applicable when using a USPS Address Management System product that provides this information.

Best Practices

Duplicate Labels

ePostage providers will be assessed postage for all duplicate labels. Generally, label duplication occurs when a shipper requests a single label for use on two packages. The best method to avoid duplication is through information and training provided to shippers. An ePostage provider may identify duplicate labels via eVS reporting available through the Business Customer Gateway.

Matching the Mail Class to the Shipment

The ePostage provider is responsible for ensuring correct postage payment and for any charges resulting from mislabeled packages. This may include weight or packaging errors.

- Correct weight is always best determined via the use of a properly calibrated postage scale. Tips on determining weight by contents may help but are no replacement for actual weight provided by a scale.
- Packaging errors (e.g.: placing a First-Class label on a Priority Mail box) are best addressed via user guidance and help systems integrated directly into an ePostage shipping application.
- Proper use of Flat Rate packaging can be improved with shipping application rules that require the user to acknowledge packaging requirements or with filters to present packaging availability based on user preferences.

Ship Date Determination

Ship Date is the date the package is expected to be tendered to the USPS and should (to the best extent possible) agree with the Date of Mailing reported in the SSF. Shipments may be reported to USPS prior to the date tendered, however, to ensure IMpb compliance, shipments should be reported no later than the date of tender.

- ePostage shipping systems should prevent labels from being created with a Ship Date prior to the current date and should not allow ship date greater than 3 business days in the future.
- It is recommended that ePostage shipping applications automatically advance the ship date based on transmission of the Shipping Services file or on local Post Office hours.

PS Form 5630 Scan Form

A PS Form 5630 is required for retail entry when three or more packages are tendered. Rules for creating a PS Form 5630 Scan Form may be found in *Publication 199, IMpb Implementation Guide*.

- To properly prepare for a PS Form 5630, ePostage applications should keep track of shipments created and may require a user to identify when shipment preparation is complete for a day (or other time period).

- Shipments tendered with the PS Form 5630 must be manifested together and may include shipments with the current or prior (but not previously manifested) ship date.

Unused Labels

ePostage providers may request a refund for manifested, but unused, labels only when the refund request is initiated by the shipper. It is against ePostage policy to automate refund requests based on the analysis of tracking data originating from USPS.

- ePostage labels can be effectively “cancelled” by the ePostage provider prior to transmission of shipment details in the SSF. Once a label has been transmitted to USPS in the SSF, it cannot be cancelled.
- Labels may not be altered for use on packages other than for which they were originally intended. If manifested, labels with errors should be destroyed and a refund may be requested.
- A request for refund of an unused label must be submitted within 60 days of the ship date and will not be considered after that time.
- A refund request received prior to processing of the associated SSF will be denied and may not be resubmitted. As such, USPS recommends use of the Postage Payment Extract file as a trigger for refund submission.
- Please refer to *Publication 205, eVS Business & Technical Guide* for information on preparing and submitting an automated refund request.
- It is the responsibility of the ePostage provider to ensure that cancelled or refunded labels are destroyed by the shipper and the ePostage provider is liable for postage if that cancelled or refunded label is subsequently tendered to USPS.

Extra Services

Extra services must be included at the time of ePostage label creation. They may not be added by the shipper at the Post Office. The following Extra Services are available with ePostage.

- Insurance
- Signature Confirmation
- Adult Signature

Shipment Mailability

The safety of the mail is the responsibility of the ePostage provider in conjunction with the shipper. To ensure mailability, ePostage providers should direct shippers to educational materials on how to prepare parcels for shipping with USPS, including reference to *Publication 52 – Hazardous, Restricted, and Perishable Mail*. Providers should maintain instructional material in their user documentation and/or provide links in their application software to the following available documentation on usps.com.

- <https://usps.com/howtoship>
- <https://www.usps.com/ship/shipping-restrictions.htm>
- <https://pe.usps.gov/text/pub52/welcome.htm>

ePostage vs. eVS Shipment Entry

A fundamental difference between eVS and ePostage is that while both use the eVS system for postage payment and reporting, eVS is intended for commercial entry while ePostage is intended for retail entry. Both entry methods are targeted to their respective customer profiles and entry at the wrong facility type may affect the customer experience and incur processing delays.

ePostage implementations which support both small and medium-to-large volume shippers should include business rules to differentiate eVS and ePostage shippers as well as a migration path to allow shippers to

convert from ePostage to eVS as they grow, and their entry needs evolve. USPS will generally require shippers with greater than 50 pieces or 50 pounds to enter their mail through the commercial channel and USPS will work with ePostage providers to determine the best thresholds and rules based on customer profiles as well as to assist shippers in their transition.

Fraud and Liability

Liability for accepting a transaction ultimately rests with the ePostage provider. Understanding this liability is essential for providers, especially those relying on "card not present" online transactions. It is recommended that ePostage providers obtain and retain as much information as possible about their shippers and their corresponding transaction details including those provided from a credit card payment gateway provider (e.g. Authorize.net, CenPos, PayPal Pro, etc).

For their own protection, it is recommended that ePostage providers implement online fraud detection measures within their payment gateway account (i.e., address verification, fraud filters, etc.). In addition, below are potential proactive measures ePostage providers may implement to help detect fraudulent shippers:

1. Non-US IP address are a potential indicator of fraud. Out-of-state IP address deserves investigation.
2. The same IP address used by multiple shippers may be an indicator that the requestor is a bad actor.
3. A mismatch between the shipper's physical address and their credit card address should be investigated.
4. Consider using dual-factor authentication to confirm a shipper's identity.
5. Personal contact is an effective confirmation method. However, if you call a shipper, ensure that you speak with an authorized individual. Voice mails do not constitute confirmation.
6. Unusual eMail addresses may also be an indicator of potential fraud. If the name of the email address does not match the shipper name this could be an indicator of fraudulent activity. Avoid emails with random characters.
7. A physical address is required from the shipper and should be verified for accuracy and authenticity. A Post Office Box may be used as a return address but not as the shipper's "ship from" location.

In addition to the validations listed above, there are additional indicators in eCommerce transactions that may help identify it as potentially fraudulent. The presence of more than one indicator increase the possibility of fraud.

1. First-time shippers are riskier than recurring shippers. When employing the criminal process of "card testing," online criminals are searching for previously unused sites. Once they commit fraud at one, they'll quickly move on to the next one.
2. Larger than normal orders, orders for a larger than normal quantity of the same item, or excessive orders in a limited time may indicate a bad actor is trying to maximize their fraudulent credit card spending prior to its discovery. Stolen payment cards have a very short life span and criminals know they must exploit their opportunities.
3. Expedited shipping, especially from first-time shippers may be another clue. Shippers generally choose less expensive shipping options. However, since cost is not a factor in fraudulent transactions, overnight shipping may be a red flag.
4. Shipping to unusual locations, especially international shipments, comes with a higher risk of fraud.
5. Multiple transactions to or from the same shipping address using different payment methods may reveal a batch of stolen cards.
6. A mismatch between the shipping and billing addresses on its own does not denote fraud, however, when found in combination with other items on this list, should be investigated.
7. Multiple orders from a single IP address using different credit cards or shipping addresses may also signal credit card fraud.
8. Payment info in all capital letters may also indicated fraud. Although it is not known why, experts have been able to corollate this action with fraud.

This is not meant to be an exhaustive list and ePostage providers are encouraged to research, review, and update their own policies to prevent fraud. Remember, the decision to provide a label to a shipper rests solely with the ePostage provider who should not provide a label if they believe the request to be fraudulent.

Appendix A – SSF v2.0 ePostage Sender Information

SSF v2.0 data elements required to identify an ePostage shipper (end user of the label) and the content rules for populating each field.

Record Type	Element Position	Field Name	Format (Size)	Content Rules
D1	31	Postage Type	AN(1)	Required – ePostage Shipper ID flag: 1 = sender information is provided D2/D3 of the SSF 3 = sender is identified by child MID
D1	76	Customer Reference Number 2	AN(30)	Required - Conditional When Postage Type is "1" Provide the unique merchant ID assigned by the ePostage label provider to the authenticated sender. When Postage Type is "3" Provide the eVS child MID assigned to this ePostage shipper location
D2	11	Sender E-mail Address	AN(64)	Required if Sender Phone not provided. Format: xxxxxxxx@server.url
D3	4	Sender Last Name	AN(75)	Required – Last name of sender
D3	5	Sender First Name	AN(49)	Required – First name of sender
D3	7	Sender Business Name	AN(100)	Required if sender is a business – Name of sender's business
D3	8	Sender Address	AN(148)	Required – complete address of sender [end user of the label] including secondary address information. NOTE: The sender address <i>MUST</i> be a verified physical location (warehouse or place of business). A "PO Box" is NOT acceptable.
D3	9	Sender City	AN(50)	Required – City name of sender's address
D3	10	Sender State	AN(2)	Required – Two char state code of sender's address
D3	11	Sender ZIP Code	N(5)	Required – 5 digit ZIP code of sender's address
D3	12	Sender ZIP+4	AN(4)	Optional – +4 add on of ZIP Code for sender address
D3	14	Sender Phone	AN(30)	Required if Sender Email Address not provided - Phone number associated with the sender. Format: nnn-nnn-nnnn

Developers using USPS Web Tools API's to integrate with eVS for "ePostage" labels should refer to the applicable API documentation for populating the corresponding XML tags to support shipper reporting.

NOTES:

1. When the Postage Type Indicator is 3, the MID used in the IMpb must be a registered child MID of the ePostage label provider. The child MID must correctly identify the contact name, address, phone, and email of the shipper. For international shipments that use an S10 barcode on the ePostage label, the child MID of the shipper "must" be populated in the Customer Reference Number 2 field. However, we recommend the child MID be provided in the Customer Reference Number 2 field for all shipments, both domestic and international as a best practice.

2. When the ePostage provider provides the label to a third-party shipper, the Postage Type indicator must be "1", regardless of the merchant being assigned a USPS Mailer ID that is used in the IMpb. All sender information listed in the table above is required and intended to accurately identify the true shipper preparing the package and using the ePostage shipping label.
3. Currently, the USPS Product Tracking and Reporting (PTR) system will not reject the entire shipment record in "Error" when a required ePostage element is invalid or not provided. However, it will return a "Warning" message for the missing/invalid field value.
4. Hybrid eVS/ePostage accounts, for example, where a customer ships both from a warehouse and from stores require additional processing as follows.
 - a. A separate eVS permit is required for ePostage shipments to allow USPS to identify ePostage retail entry versus commercial entry for eVS labels.
 - b. Additionally, a separate child MID must be used in the IMpb of ePostage labels versus the eVS labels tendered by this shipper.

Appendix B – Price-Based Packaging Descriptions

The following Rate Indicator codes and corresponding markings may be used to derive the recommended Flat Rate ePostage label markings.

PRIORITY MAIL EXPRESS		PRIORITY MAIL	
Code	Marking	Code	Marking
E4	FLAT RATE ENV	FE	FLAT RATE ENV
E6	LEGAL FLAT RATE ENV	FA	LEGAL FLAT RATE ENV
E7	LEGAL FLAT RATE ENV	FP	PAD FLAT RATE ENV
FP	PAD FLAT RATE ENV	FS	SM FLAT RATE BOX
		FB	MED FLAT RATE BOX
		PL	LG FLAT RATE BOX
		PM	MILITARY FLAT RATE BOX
		C6	REG RATE BOX A
		C7	REG RATE BOX B

Source: <https://postalpro.usps.com/pub205> - Appendix G, Table G-5

Appendix C – Regional Distribution Center File Processing

The Regional Distribution Center Assignment file is updated monthly and available for download on the Operations web page of the USPS PostalPro website (<https://postalpro.usps.com/operations>). There are two file formats:

- 1) Uncompressed comma separated .csv file (ranged Destination Begin/End ZIPs)
- 2) Compressed .zip file format with one record for every combination of Origin/Destination ZIP

The file format of the Retail Distribution Center File is shown below.

#/Col	Field	Type	Size	Description
1 (A)	Orig_ZIP	Numeric text	3	3-digit Origin ZIP Code. Possible values: 000-099
2 (B)	Dest_Begin	Numeric text	3	3-digit ZIP Code representing the beginning of a destination ZIP Code range. Possible values: 000-999 Validation: Dest_Begin ≤ Dest_End
3 (C)	Dest_End	ZIP Code (3-digit) numeric text	3	3-digit ZIP Code representing the end of a destination ZIP Code range. Possible values: 000-999 Validation: Dest_Begin ≤ Dest_End
4 (D)	MC_Set_Code	numeric text	3	3-digit mailing class set code. Possible values: 000-999 Values for ePostage Overnight Service Area 003 - Priority Mail Parcels 005 - First-Class Package Service 006 - Ground & Other Package Services
5 (E)	Retail_Dist_Code	numeric text	2	2-digit Retail Distribution Code (RDC). Possible values: 01-99 NOTE: Value "05" - Overnight Service Area

To obtain an RDC from the Retail Distribution Center Assignment File select the Retail_Dist Code:

Where

first 3 digits of Entry Facility ZIP (from ZIP) matches Orig_ZIP and
first 3 digits of Destination ZIP is ≥ Dest_Begin and
first 3 digits of Destination ZIP is ≤ Dest_End and
where
mail class is PM and MC_Set_Code is "003" or
mail class is FC and MC_Set_Code is "005" or
mail class is PS and MC_Set_Code is "006"

Exhibit B

STATEMENT OF VOLUNTARY DISCONTINUANCE

Company Name: YH Express

I, the undersigned, have been contacted by representatives of the United States Postal Inspection Service, a federal law enforcement agency, concerning mailings entered by me and/or the company I represent. Specifically, I have been contacted with regard to the mailing of packages containing invalid postage labels resulting in a financial loss to the United States Postal Service.

I understand that my continued use of invalid labels would expose me and/or the company I represent to potential criminal or civil liability. These acts may constitute a violation of 18 U.S.C. §§ 1725 and/or 18 U.S.C. §§ 501.

Having been advised of the facts and circumstances of this situation it is my decision to stop participating in these activities. I further intend to use only legitimate postage labels on all mailings entered to USPS by my company or myself in the future.

I have reached this decision freely. I am keeping one copy of this statement and am returning the other copy to the Postal Inspection Service.

Signature _____
 Printed Name Zi Zhao Hou
 Company Name YH Express Inc

Street Address (House #, Street, City, State, Zip code) 167-25 Rodman Rd, Jamaica, NY

Witness Signature _____
 Witness Name Edward Gelpi

Date July 5, 2022

Telephone No. _____

Date July 5, 2022

Exhibit C

UNITED STATES POSTAL INSPECTION SERVICE
VOLUNTARY DISCONTINUANCE - COUNTERFEIT POSTAGE LABELSLOCATION: YDH ExpressDATE: July 26, 2022

I acknowledge that items mailed by me or the company I represent displayed counterfeit postage labels, resulting in financial losses to the United States Postal Service (USPS).

I understand that the use of counterfeit postage labels is a crime that exposes myself, the company I represent, the mail owner, postage provider, and mail depositor to legal liability. I understand that it is illegal to use, sell, possess, or manufacture counterfeit postage labels. Such acts may constitute criminal violations of the United States Code, to include 18 USC §501, 18 USC §1341, and 18 USC §1725, which could result in fines and imprisonment. The company I represent and I may be enjoined against further mailings by a federal judge pursuant to 18 USC §1345.

I understand that if I continue to use counterfeit or otherwise invalid postage, Inspectors/Agents of the US Postal Inspection Service will review the matter for criminal prosecution. I am also subject to the rejection of my mail by USPS, and/or termination of USPS courtesy services such as pick-up service, use of mail transportation equipment, and packaging supplies.

From this date, I will cease using counterfeit or otherwise invalid postage. My company and I will use only legitimate postage labels on all items mailed via USPS.

I have reached this decision freely and voluntarily. No threats, promises, or coercion of any kind has been made.

NAME: JIAHENG LIU SIGNATURE: [Signature] TIME: 4:08 PM

COMPANY NAME: _____
COMPANY ADDRESS: 167-25 Rockaway Blvd. Jamaica, NY 11434

WITNESS: Eduardo Cep. 6274 SIGNATURE: [Signature]

WITNESS: Enn T. Carvody 7398 SIGNATURE: [Signature]

Exhibit D



UNITED STATES POSTAL INSPECTION SERVICE
VOLUNTARY DISCONTINUANCE – COUNTERFEIT POSTAGE LABELS

LOCATION: YDH Express DATE: 8-10-22

I acknowledge that items mailed by me or the company I represent displayed counterfeit postage labels, resulting in financial losses to the United States Postal Service (USPS).

I understand that the use of counterfeit postage labels is a crime that exposes myself, the company I represent, the mail owner, postage provider, and mail depositor to legal liability. I understand that it is illegal to use, sell, possess, or manufacture counterfeit postage labels. Such acts may constitute criminal violations of the United States Code, to include 18 USC §501, 18 USC §1341, and 18 USC §1725, which could result in fines and imprisonment. The company I represent and I may be enjoined against further mailings by a federal judge pursuant to 18 USC §1345.

I understand that if I continue to use counterfeit or otherwise invalid postage, Inspectors/Agents of the US Postal Inspection Service will review the matter for criminal prosecution. I am also subject to the rejection of my mail by USPS, and/or termination of USPS courtesy services such as pick-up service, use of mail transportation equipment, and packaging supplies.

From this date, I will cease using counterfeit or otherwise invalid postage. My company and I will use only legitimate postage labels on all items mailed via USPS.

I have reached this decision freely and voluntarily. No threats, promises, or coercion of any kind has been made.

NAME: Yizhao Hou (Harvey) SIGNATURE: [Signature] TIME: 11:04AM

COMPANY NAME: YDH express inc

COMPANY ADDRESS: 167-25 Rockaway Blvd, Jamaica, NY 11434

WITNESS: Edwardo Gelpi 6274 SIGNATURE: [Signature]

WITNESS: Ralph A. Nardo SIGNATURE: RALPH A. NARDO